

Financial Report Preparation Training For Kendari City MSMEs

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Abstract

This service aims to improve UMKM's understanding and skills in preparing financial reports following applicable accounting standards. This training provides a deeper understanding of the importance of accurate and transparent financial reports and how to implement SAK EMKM in daily practice. From the results of the training, it can be concluded that several points regarding the training participants showed an increased understanding of SAK EMKM and the importance of financial reports that comply with standards. Practical training technical skills which helped participants develop technical skills in preparing financial reports. However, some participants still needed further assistance, and access to financing with better financial reports, it is hoped that UMKM can more easily access funding from financial institutions and participants' awareness and motivation of the importance of good financial management will increase, which is reflected in active participation and enthusiasm in training sessions. However, several challenges are still faced, such as limited training time which means the material cannot be absorbed optimally by all participants, and the need for further assistance to ensure consistent implementation of SAK EMKM.

Keywords: Accounting, SAK, EMKM

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are an important sector in the Indonesian economy, playing a role in creating jobs, increasing people's income, and driving national economic growth. In Kendari City, there are many MSMEs that are fostered by the Integrated Business Service Center (PLUT). One important aspect in managing MSMEs is the preparation of accountable financial reports that comply with applicable accounting standards. Good financial reports provide important information for business owners, creditors, investors, and other related parties about the financial condition and performance of the business. However, in reality, many MSMEs still have difficulty in preparing financial reports that comply with accounting standards. This is due to several factors, namely the lack of knowledge and understanding of applicable accounting standards, limited competent human resources in the field of accounting, and limited access to information and training on preparing financial reports. Therefore, it is necessary to provide training to MSME actors on the preparation of financial reports based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). This training is expected to improve the ability of MSMEs in preparing accountable financial reports in accordance with applicable accounting standards, so that it can help them manage their businesses better and increase their access to capital financing.

The Kendari City Integrated Business Service Center (PLUT) as an institution that aims to support the development of MSMEs, sees the importance of improving the ability of its fostered MSMEs in preparing financial reports. Therefore, structured and comprehensive training is needed to help MSMEs understand and apply SAK EMKM. This training is expected to improve the quality of MSME financial reports, so that they can more easily access financing, carry out better business planning, and increase the transparency and accountability of their businesses. Through this community service program, we will carry

out "Training on Preparing Financial Reports Based on SAK EMKM for MSMEs Fostered by PLUT Kendari City". This training aims to provide in-depth understanding and practical skills to MSMEs in preparing financial reports in accordance with SAK EMKM. Thus, it is hoped that the MSMEs fostered by PLUT Kendari City can improve the quality of their financial management and contribute more significantly to the local and national economy.

METHOD

The method used in this community service activity is an interactive discussion which includes the Preparation Phase and Implementation Phase. The steps in carrying out this service are by using an interactive discussion approach between participants and resource persons, accompanied by direct practice using a simple application, namely Excel. The location of this service is carried out at the PLUT office. The following are the steps taken in carrying out community service:



Figure 1. Survey and interview of the Head of UPTD PLUT-KUMKM Kendari City

1. Needs Identification

The needs identification process begins with holding an initial discussion with the PLUT-KUMKM of Kendari City to understand the profile of the UMKM they are fostering. Furthermore, direct observation was carried out on several SMESs to find out their financial condition and how they prepare financial reports. At this stage, a questionnaire was also conducted to determine the extent of UMKM actors' understanding of SAK EMKM and what challenges they face in financial reporting. The results of this identification will be the basis for designing training materials that are appropriate and relevant to their conditions. In addition, the community service team also identified the technological capabilities of UMKM, whether they use accounting software or still use manual methods. This is important so that the training provided can be adjusted to the abilities and tools available to them.

2. Training Planning

After the identification of needs is complete, the team prepares a training module that includes a basic introduction to SAK EMKM. This material includes the background to the implementation of the standard, the main components of financial statements according to SAK EMKM, and examples of financial statements that comply with the

standard. This module is designed in such a way that it is easy to understand for MSMEs who may not be familiar with accounting terms. The planning also considers an interactive training format, including simulations of preparing financial statements and case studies. The training schedule is arranged to be flexible, considering that MSMEs have limited time because they have to take care of their businesses. The training location is also chosen so that it is easily accessible to participants, and adequate facilities are prepared to support the comfort and effectiveness of the training.

3. Training Implementation

The implementation of the training usually begins with an opening session explaining the objectives and benefits of the training. The community service team then provides an introduction to the importance of financial statements for good business management. After the introductory session, the training continues with a technical presentation of SAK EMKM. Each material presented is followed by an interactive discussion so that participants can clarify things they do not understand. During the practical session, participants are given real case examples or simulations that are relevant to their business conditions. They will be guided to prepare financial reports based on the case, with direct assistance from the facilitator. This process aims to ensure that participants truly understand and can apply the knowledge they have gained in real practice.

RESULT AND ANALYSIS

Implementation

Opening and Introduction: Opening session which includes remarks from PLUT-KUMKM Kendari City and an explanation of the objectives and benefits of the training. Delivery of theoretical material: Delivery of theoretical material regarding SAK EMKM, including the basics of accounting and the importance of financial reports for UMKM. Material on the topic "the importance of financial reports". The substance of this topic explains the components of financial reports, the purpose of financial reports, accounting standards in Indonesia, SAK EMKM.



Figure 2. Delivery of material on the importance of financial reports

Practical Session: Practical training in preparing financial reports. Participants are invited to immediately practice how to prepare financial reports based on SAK EMKM with case studies or concrete examples from their own businesses. In the practice session of preparing financial reports using Excel-based accounting software Pro Version 1.5. This software provides participants with the opportunity to practice directly using Excel-based accounting software, so they can apply it in their daily work. In addition, participants are expected to have the ability to prepare financial reports in accordance with accounting standards using Excel-based software.

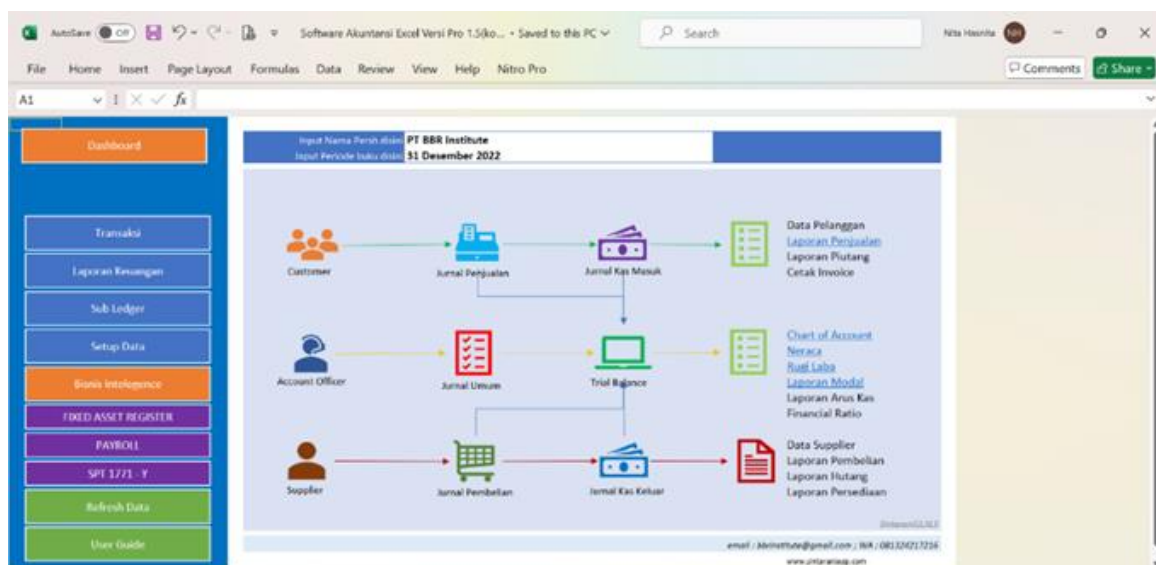


Figure 3. Display of Excel-based accounting software Pro Version 1.5

Discussion and Q&A: Interactive session where participants can ask questions, discuss the obstacles they face, and get solutions from the resource person. Daily Evaluation: Evaluation at the end of each session is carried out to determine participants' understanding and improve teaching methods if necessary. After conducting a survey and direct interviews with the Head of Kendari City PLUT-KUMKM UPTD, the problem was discovered that there were still many UMKM assisted by Kendari City PLUT who did not understand the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). They do not know the applicable accounting standards, so the financial reports prepared do not comply with existing regulations. Misunderstanding of SAK EMKM is rooted in the lack of information and training available to MSMEs. SAK EMKM is a standard prepared to make it easier for UMKM to prepare financial reports by accounting principles. However, without adequate training, UMKM cannot implement these standards properly.

UMKM often do not have sufficient technical skills to prepare accurate and transparent financial reports. This is caused by a lack of training and assistance in accounting and finance. Limited technical skills can be overcome with intensive and continuous training. Training must include not only theory but also direct practice, with case studies relevant to UMKM businesses. Post-training mentoring is also important to ensure effective implementation. Financial reports that do not comply with standards reduce the credibility

of UMKM in the eyes of financial institutions. By improving the quality of financial reports through the implementation of SAK EMKM, UMKM can increase the trust of financial institutions and facilitate their access to financing. Many UMKM players do not realize the importance of preparing good financial reports. They focus more on daily operations without paying attention to sound financial management, which makes it difficult to carry out performance evaluations and effective business planning. Awareness of the importance of financial reports can be increased through continuous education and outreach. PLUT Kendari City can hold seminars, workshops and discussions that emphasize the importance of financial reports in making business decisions and evaluating performance. Using simple accounting software that suits the needs of UMKM can help in creating a structured accounting system. Training on the use of accounting software must also be included in the training program to ensure UMKM can use it effectively.

Discussion

This community service aims to increase insight and knowledge in order to provide in-depth understanding and practical skills to MSME players in preparing financial reports in accordance with SAK EMKM. Increasing the understanding of MSME actors, providing an in-depth understanding of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) to MSME actors assisted by PLUT Kendari City, so that they can understand the importance of these standards in preparing financial reports. The discussion should be in the form of paragraphs, not points like this. Improving Technical Skills in Preparing Financial Reports, and training MSME players in preparing financial reports in accordance with SAK EMKM, so that they are able to produce financial reports that are accurate, transparent, and accountable. Increasing MSMEs' access to financing, and improving the quality of MSMEs' financial reports so that they can be used as an effective tool to access financing from financial institutions, both banking and non-banking.

Increasing MSMEs' access to financing, and improving the quality of MSMEs' financial reports so that they can be used as an effective tool to access financing from financial institutions, both banking and non-banking. Supporting Better Business Planning and Evaluation, helping MSMEs use financial reports as a tool to plan better business strategies and carry out regular business performance evaluations. Increasing Business Transparency and Accountability, encouraging MSMEs to be more transparent and accountable in their financial management, thereby increasing trust from various parties, including business partners and financial institutions. Strengthening the Competitiveness of MSMEs, increasing the competitiveness of MSMEs assisted by PLUT Kendari City through improving the quality of financial management, so that they can compete better in local and national markets. Supporting Local Economic Development, contributing to local economic development by strengthening MSMEs as one of the important pillars in the Kendari City economy. Additionally, an optimized SEO strategy has improved their search rankings, making artisan products easier to find for potential consumers.

CONCLUSION

Based on the above conclusions, the following are recommendations to increase the effectiveness of future training programs:

- 1) Continuous Training: Conduct regular and ongoing training to deepen UMKM understanding and skills in preparing financial reports. Each training session can be focused on a specific aspect of SAK EMKM to ensure participants can master each section well.
- 2) Post-Training Assistance: Provide post-training assistance to ensure UMKM can apply the knowledge gained in daily practice. This assistance can take the form of field visits, consultations, or other technical assistance. Or by asking for help from UMKM assistants who have been certified to provide direct assistance, namely one UMKM assistant accompanying one UMKM.
- 3) Use of Accounting Software: Encourage the use of accounting software that suits the needs of MSMEs to assist them in preparing more structured and accurate financial reports. PLUT Kendari City can provide additional training regarding the use of this software.
- 4) Evaluation and Feedback: Conduct regular evaluations of the progress of UMKM in implementing SAK EMKM and collect feedback to improve future training programs. This evaluation can be done through surveys, interviews, or direct observation.
- 5) Socialization of the Benefits of Financial Reports: Continue to socialize the benefits of good financial reports and how this can increase access to financing and trust of third parties. This socialization can be done through various media and discussion forums.

Collaboration with Financial Institutions: Establish collaboration with financial institutions to provide MSMEs with an understanding of the financial reporting requirements needed to access financing. This collaboration can also help in providing an assessment of MSME financial reports.

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